

MASTER AFFILIATION AGREEMENT

THIS MASTER AFFILIATION AGREEMENT ("Agreement") is made and entered into by and among the following parties and is effective as of December 31, 2000:

HEALTH MIDWEST, a Missouri public benefit corporation ("HM"),
BAPTIST MEDICAL CENTER, a Missouri public benefit corporation ("BMC"),
HEALTH MIDWEST - INDEPENDENCE, a Missouri public benefit corporation ("HMI"),
HEALTH MIDWEST - JOHNSON COUNTY, INC., a Kansas not-for-profit, nonstock corporation ("HMJC"), and
INDEPENDENCE REGIONAL HEALTH CENTER, a Missouri public benefit corporation ("IRHC"),
LEE'S SUMMIT HOSPITAL, a Missouri public benefit corporation ("LSH"),
MEDICAL CENTER OF INDEPENDENCE, a Missouri public benefit corporation ("MCI"),
MENORAH MEDICAL CENTER, INC., a Kansas not-for-profit, nonstock corporation ("MMC"),
OVERLAND PARK REGIONAL MEDICAL CENTER, INC., a Kansas not-for-profit, nonstock corporation ("OPRMC"),
RESEARCH MEDICAL CENTER, a Missouri public benefit corporation ("RMC"),
RESEARCH PSYCHIATRIC CENTER, a Missouri public benefit corporation ("RPC"),
TRINITY LUTHERAN HOSPITAL, a Missouri public benefit corporation ("TLH"),
THE REHABILITATION INSTITUTE, a Missouri public benefit corporation ("TRI"),

WITNESSETH:

WHEREAS, HM is a Missouri public benefit corporation which is exempt from federal income taxation under §501(a) of the Internal Revenue Code ("Code") by virtue of being an organization described under §501(c)(3) of the Code and serves as the parent company for a comprehensive integrated system of organizations ("HM System") dedicated to the delivery of health care services to the Kansas City metropolitan area and the surrounding region, and which includes general acute care hospitals and related services, a rehabilitation hospital and related services, a psychiatric hospital and other related inpatient and outpatient mental health services, physician clinics and office facilities, outreach clinical and support services, outpatient care and wellness activities, occupational health clinics, and other health care related activities;

WHEREAS, the other parties operate or coordinate the operation of the various hospital facilities within the HM system; and

WHEREAS, the parties desire to operate the hospital facilities within the HM system as efficiently as possible consistent with system goals and objectives and desire to establish the rights, responsibilities and allocation of authority among HM and the other parties with respect to the operation and management of their respective facilities;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, the parties agree as follows:

AGREEMENT:

1. **Termination of Prior Agreements.** Effective December 31, 2000, the following agreements previously entered into by the various parties to this Agreement are terminated:

- a. Agreement for the Corporate Reorganization of Lee's Summit Community Hospital, dated March 31, 1989;
- b. Agreement for the Integration of Lutheran Health Services, Inc. and its Subsidiaries into the Research Health Services System, dated January 31, 1990;
- c. Affiliation Agreement with The Rehabilitation Institute, dated December 27, 1990;
- d. Agreement for the Integration of Medical Center of Independence, Inc. and its Subsidiaries into the Research Health Services System, dated January 22, 1991;
- e. Agreement for the Merger of Baptist Health Systems and its Subsidiaries with Research Health Services and its Subsidiaries, dated February 27, 1991, which includes Research Medical Center as an additional party;
- f. Affiliation Agreement with Health Midwest-Independence, Independence Regional Health Center, and Medical Center of Independence, dated April 6, 1999; and
- g. Affiliation Agreement with Health Midwest-Johnson County, Inc., Overland Park Regional Medical Center, Inc., and Menorah Medical Center, Inc., dated April 6, 1999.

2. **Hospital Governance.** Each party other than HM ("Subsidiary") will adopt (effective December 31, 2000) and maintain articles and bylaws which contain the following provisions:

- a. **Sole Member.** HM will be the sole member of BMC, HMI, HMJC, LSH, RMC, RPC, TLH and TRI under the Missouri Nonprofit Corporations Act, Chapter 355 of the Revised Statutes of Missouri ("Missouri Code"), or under the Kansas General

Corporation Code, Section 17-6001 *et seq.* of the Kansas Statutes Annotated ("Kansas Code"), as applicable. HMI will be the sole member of MCI and IRHC under the Missouri Code. HMJC will be the sole member of MMC and OPRMC under the Kansas Code. The respective sole member of each Subsidiary will have all the rights associated with being a member under such law including, without limitation, the right to elect and remove directors of the Subsidiary, the right to approve amendments to the articles and bylaws of each Subsidiary, and the right to approve any fundamental corporate change of each Subsidiary (including, without limitation, merger, dissolution, or sale of all or substantially all of the assets); provided, however, that neither MCI, IRHC, MMC nor OPRMC will be permitted to merge, dissolve or sell all or substantially all of their assets without the consent of HM.

b. **Board Election.** Each sole member will elect all of the directors of its respective Subsidiary boards. Each Subsidiary may submit suggestions to its sole member through a committee or by other means, but each sole member shall have authority to elect any persons it chooses, whether or not submitted by the Subsidiary. Directors will serve staggered three-year terms with approximately 1/3 of the terms expiring each year. Directors may serve up to five consecutive three-year terms. No persons may be elected a director if they have reached the age of 70 at the time of election, but any directors who become 70 during their term may complete the term.

c. **Conflicts of Interest Policy.** Each Subsidiary will adopt the HM conflicts of interest policy as amended from time to time.

d. **Dissolution.** Upon dissolution of any Subsidiary, all of the remaining assets after satisfaction of outstanding debts will be distributed to its sole member; provided that the sole member qualifies as an organization exempt from federal income tax under Code §501(c)(3), or any successor provision thereto. If the sole member does not then so qualify, distribution of the net assets of the Subsidiary will be made to such §501(c)(3) tax exempt organization(s) within the HM system as the HM board may designate. If no such organization so qualifies, distribution of the net assets of the Subsidiary will be made to such §501(c)(3) tax exempt organization(s) as the HM board may designate. Any such assets not so disposed of shall be disposed of by the Circuit Court or District Court, as the case may be, in the county in which the principal office of the corporation is then located, exclusively for religious, charitable, scientific, literary, or educational purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

e. **Other Provisions.** The articles of incorporation and the bylaws of each Subsidiary will contain any other legally appropriate provisions as determined by HM.

f. **Initial Articles and Bylaws.** Each Subsidiary agrees to adopt the respective articles and bylaws attached hereto as Exhibits A – N, as applicable.

3. **Allocation of Management Rights, Responsibilities and Authority.** HM, in its sole and absolute discretion, will determine the allocation of all management rights,

responsibilities and authority among HM and the Subsidiaries to serve the best interests of the HM System. These determinations will be implemented through system-wide policies to which the Subsidiaries agree to adopt and adhere.

4. **Medical Staffs.** Unless HM and a respective Subsidiary otherwise agree among themselves, the medical staffs of the Subsidiaries shall remain completely separate, internally autonomous, self-governing medical staffs responsible only to their respective boards of directors in accordance with their respective medical staff bylaws and applicable Kansas and Missouri law. The medical staffs shall have no direct organizational or official interrelationship with any of the other Hospital Facilities. The parties recognize and mutually acknowledge that the Hospital Facilities shall continue to work independently with their respective medical staffs and medical staff organizations, including all hospital based and other contract physicians, as in the past in order to foster effective, efficient, high quality local patient care.

5. **Auxiliaries.** The auxiliaries of the Hospital Facilities shall remain responsible solely to their respective boards of directors, and shall remain completely separate and apart from any other hospital auxiliary within the Health Midwest System and shall have no direct organizational or official interrelationship with the auxiliary of any other Hospital Facility. The parties mutually acknowledge that the Hospital Facilities shall continue to work independently with their respective Auxiliary as in the past to further broad-based community support, for the delivery of high quality patient care in the local service area, and to further their respective missions.

6. **Subsidiaries.** With respect to the subsidiaries of any Subsidiary, each Subsidiary agrees:

a. That the Subsidiary will remain the sole member (under the Missouri Code or Kansas Code, as applicable) of all of its subsidiaries;

b. That the Subsidiary will, through the appropriate governance documents, require all of its subsidiaries to distribute their assets upon dissolution to the Subsidiary or such other 501(c)(3) organization as HM shall select;

c. That the Subsidiary will require its subsidiaries to adhere to the allocation of rights, responsibilities and authority and the adoption of and adherence to system-wide policies as described in Section 3 hereof; and

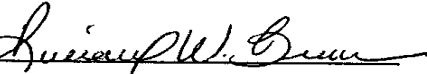
d. That the Subsidiary will establish such other relations with its subsidiaries as HM shall determine is appropriate.

7. **Miscellaneous.** This Agreement constitutes the entire agreement of the parties and may not be amended or terminated without the written consent of all the parties. The headings appearing in this Agreement have been inserted solely for the convenience of the parties and shall be of no force or effect in the construction of the provisions of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties

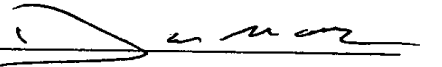
hereto, their respective successors and permitted assigns. No party to this Agreement may assign its rights or delegate its duties to any other person or entity without the prior written consent of all the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any other person other than the parties hereto any rights or remedies under or by reason of this Agreement. This Agreement shall be construed under the laws of the State of Missouri.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the dates set forth below.


HEALTH MIDWEST

By: 
Name: Richard W. Brown
Title: President / CEO


BAPTIST MEDICAL CENTER

By: 
Name: Daniel Moore
Title: President

HEALTH MIDWEST - INDEPENDENCE

By: 
Name: MICHAEL W. CHAPPELOW
Title: PRESIDENT / CEO

**HEALTH MIDWEST - JOHNSON
COUNTY, INC.**

By: 
Name: STEVEN D. WILKINSON
Title: PRESIDENT & CEO

**INDEPENDENCE REGIONAL HEALTH
CENTER**

By: [Signature]
Name: Michael W. Campbell
Title: President / CEO

LEE'S SUMMIT HOSPITAL

By: [Signature]
Name: John L. Jacobson
Title: President / CEO

MEDICAL CENTER OF INDEPENDENCE

By: [Signature]
Name: J. Kent Howard
Title: President / CEO

MENORAH MEDICAL CENTER, INC.

By: [Signature]
Name: STEVEN D. WILKINSON
Title: PRESIDENT & CEO

**OVERLAND PARK REGIONAL
MEDICAL CENTER, INC.**

By: [Signature]
Name: Kevin J. Hicks
Title: CEO

RESEARCH MEDICAL CENTER

By: [Signature]
Name: STEVEN R. NEWTON
Title: President / CEO

RESEARCH PSYCHIATRIC CENTER

By: [Signature]
Name: TODD KRASS
Title: President / CEO

TRINITY LUTHERAN HOSPITAL

By: [Signature]
Name: ROBERT A. OMBERT
Title: PRESIDENT

THE REHABILITATION INSTITUTE

By: Ronald L. Herrick
Name: Ronald L. Herrick
Title: Pres/CEO